

Towagmac Exploration Company Limited

(No Personal Liability)

Annual Report

For the Year Ending December 31st, 1968

Authorized Capital 3,000,000 shares with a par value of \$1.00 each

Issued Capital 2,596,666

Incorporated under the laws of the Province of Quebec

Directors

| | | | | | | | | |
|------------------|---|---|---|---|---|---|---|--------------------|
| K. A. ROBERTS | - | - | - | - | - | - | - | TORONTO, ONTARIO |
| C. F. WATSON | - | - | - | - | - | - | - | BRAMPTON, ONTARIO |
| A. H. HONSBERGER | - | - | - | - | - | - | - | BRAMPTON, ONTARIO |
| S. L. JASKE | - | - | - | - | - | - | - | TORONTO, ONTARIO |
| L. H. SHARKEY | - | - | - | - | - | - | - | PICKERING, ONTARIO |
| N. M. WESTON | - | - | - | - | - | - | - | TORONTO, ONTARIO |
| H. HUNTER | - | - | - | - | - | - | - | TORONTO, ONTARIO |

Officers

| | | | | | | | | | |
|---------------------|---|---|---|---|---|---|---|---|---------------|
| PRESIDENT | - | - | - | - | - | - | - | - | K. A. ROBERTS |
| VICE-PRESIDENT | - | - | - | - | - | - | - | - | C. F. WATSON |
| SECRETARY-TREASURER | - | - | - | - | - | - | - | - | H. HUNTER |

Solicitors

HOLDEN, MURDOCH, WALTON, FINLAY, ROBINSON,
PEPALL & HARVEY
TORONTO, ONTARIO

Transfer Agents and Registrars


CANADA PERMANENT TRUST COMPANY
MONTREAL, QUE. AND TORONTO, ONT.

Head Office of the Company

601 CANADIAN IMPERIAL BANK OF COMMERCE BUILDING
1155 DORCHESTER BLVD. WEST, MONTREAL, QUE.

Toronto Office

601 CONCOURSE BUILDING, 100 ADELAIDE STREET WEST
TORONTO, ONTARIO



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Towagmac Exploration Company Limited

(No Personal Liability)

Directors' Report

TO THE SHAREHOLDERS:

Your Directors submit herewith for your approval, copy of your Company's Balance Sheet as at December 31, 1968, duly certified by your Company's Auditors, together with Statement of Profit and Loss, Statement of Deficit and Statement of Source and Application of Funds for the year ended December 31, 1968.

In 1968, exploration and geophysical work was carried out on your Company's property in the Coppermine River area of the Northwest Territories. The results were such that it was decided to drop the claims.

Your Company sold 335,000 escrowed shares of Copperville Mining Corporation Limited and retains 340,000 shares.

During 1968 your Company made a profit from the sale of securities of \$235,249.00 and at year end the quoted market value of the listed securities held by your company was \$810,777.00.

On behalf of the Board,

K. A. ROBERTS,

President.

June 3, 1969.

Towagmac Exploration

(No Personal Liability)
(Incorporated under the Companies Act)

Balance Sheet as at March 12, 1969 (with comparative figures for 1968)

| ASSETS | | 1968 | 1967 |
|---|----|---------------------|---------------------|
| | | <u> </u> | <u> </u> |
| CURRENT: | | | |
| Cash | \$ | 24.14 | \$ 14,691.51 |
| Investment in short term notes, at cost | — | | 125,000.00 |
| Accrued interest and dividends receivable | — | | 512.31 |
| Deposit with mining recorder | | 7,200.00 | 7,200.00 |
| | | <u>7,224.14</u> | <u>147,403.82</u> |
| Advances to Hewfron Gold Mines Limited | | 4,479.00 | 3,950.00 |
| Investment in mining and other securities, at cost | | | |
| Listed securities (quoted market value \$810,777.06 | | | |
| 1967 — \$113,540) | | 482,855.96 | 100,743.92 |
| Unlisted securities (no quoted market value) | | 40,793.62 | 56,118.62 |
| 8% Demand note receivable | | 10,000.00 | 10,000.00 |
| Mining claims, at cost | | 1,437.50 | 15,563.75 |
| Deferred exploration expenses | | — | 5,843.81 |
| | | <u>\$546,790.22</u> | <u>\$339,623.92</u> |

AUDITOR'S REPORT

The Shareholders,

Towagmac Exploration Company Limited (No Personal Liability).

We have examined the balance sheet of Towagmac Exploration Company Limited as at March 12, 1969, and the results of its operations and the source and application of funds for the year then ended and have found nothing to call for qualification or adjustment, and we have made a general review of the accounting procedures and such tests of accounting records as we considered appropriate.

In our opinion, and as shown by the books of the company, these financial statements present a true and fair view of the financial position of the company at the end of the year and of the results of its operations and the source and application of its funds for the year, and are consistent with that of the preceding year.

Toronto, Ontario,

March 12, 1969.

in Company Limited

(Liability)
(Mining Companies Act)

December 31, 1968

(figures for 1967)

LIABILITIES

| CURRENT: | 1968 | 1967 |
|--|------------------|-----------------|
| Bank indebtedness | \$ 636.58 | \$ — |
| Accounts payable and accrued liabilities | 13,516.02 | 4,722.47 |
| | <u>14,152.60</u> | <u>4,722.47</u> |

SHAREHOLDERS' EQUITY

CAPITAL STOCK:

Authorized:

3,000,000 shares of \$1.00 each par value

Issued and fully paid:

2,596,666 shares \$ 2,596,666.00

Deduct discounts, less premiums thereon 626,025.36

| | | |
|---------------|-------------------|-------------------|
| | 1,970,640.64 | 1,970,640.64 |
| Deficit | 1,438,003.02 | 1,635,739.19 |
| | <u>532,637.62</u> | <u>334,901.45</u> |

On behalf of the Board:

K. A. ROBERTS, Director.

H. HUNTER, Director.

| | |
|----------------------|----------------------|
| <u>\$ 546,790.22</u> | <u>\$ 339,623.92</u> |
|----------------------|----------------------|

REPORT

ed (No Personal Liability) as at December 31, 1968 and the statements of profit and
ed all the information and explanations we have required. Our examination included
other supporting evidence as we considered necessary in the circumstances.

ents present fairly the financial position of the company as at December 31, 1968 and
ended, in accordance with generally accepted accounting principles applied on a basis

TOUCHE, ROSS, BAILEY & SMART,
Chartered Accountants.

Towagmac Exploration Company Limited

(No Personal Liability)

Statement of Profit and Loss

For the Year Ended December 31, 1968

(with comparative figures for 1967)

| | 1968 | 1967 |
|---|--------------------|----------------------|
| INCOME: | | |
| Interest and dividends | \$ 5,923.00 | \$ 9,870.16 |
| EXPENSES: | | |
| Pension plan | 1,502.00 | 1,502.00 |
| Administration and general expense | 2,695.42 | 2,078.76 |
| Transfer agent's fees | 2,133.44 | 1,960.35 |
| Legal fees | 1,672.31 | 1,982.89 |
| Audit fees | 725.00 | 275.00 |
| Taxes | 225.00 | 222.27 |
| Directors' fees | 450.00 | — |
| Interest | 2,233.13 | 128.65 |
| | <u>11,636.30</u> | <u>8,149.92</u> |
| Loss/(profit) for the year transferred to Deficit Account | <u>\$ 5,713.30</u> | <u>(\$ 1,720.24)</u> |

Statement of Deficit

For the Year Ended December 31, 1968

(with comparative figures for 1967)

| | | |
|--|------------------------|------------------------|
| Balance, January 1 | \$ 1,635,739.19 | \$ 1,628,203.25 |
| Add: Mining claims and deferred exploration expenses written off | 31,799.60 | — |
| Loss/(profit) for the year | 5,713.30 | (1,720.24) |
| | <u>1,673,252.09</u> | <u>1,626,483.01</u> |
| Deduct: Profit/(loss) on disposal of securities | 235,249.07 | (9,256.18) |
| Balance, December 31 | <u>\$ 1,438,003.02</u> | <u>\$ 1,635,739.19</u> |

Towagmac Exploration Company Limited

(No Personal Liability)

Statement of Source and Application of Funds

For the Year Ended December 31, 1968

(with comparative figures for 1967)

| | 1968 | 1967 |
|-----------------------------------|---------------------|---------------------|
| SOURCE OF FUNDS: | | |
| Net profit for the year | \$ — | \$ 1,720.24 |
| Proceeds from sale of investments | 402,636.24 | 49,494.92 |
| Decrease in working capital | 149,609.81 | 27,794.30 |
| | <u>\$552,246.05</u> | <u>\$ 79,009.46</u> |

| | | |
|--|---------------------|---------------------|
| APPLICATION OF FUNDS: | | |
| Net loss for the year | \$ 5,713.30 | \$ — |
| Purchase of investments | 534,174.21 | 57,741.90 |
| Advances to Hewfran Gold Mines Limited | 529.00 | 750.00 |
| Additional mining claim costs | 273.75 | 273.75 |
| Purchase of Coppermine | — | 14,400.00 |
| Exploration on mining claims | 11,555.79 | 5,843.81 |
| | <u>\$552,246.05</u> | <u>\$ 79,009.46</u> |

DECREASE IN WORKING CAPITAL:

| | December 31 | | |
|---------------------|----------------------|---------------------|-----------------------|
| | 1968 | 1967 | (Decrease) |
| Current assets | \$ 7,224.14 | \$147,403.82 | (\$140,179.68) |
| Current liabilities | 14,152.60 | 4,722.47 | (9,430.13) |
| | <u>(\$ 6,928.46)</u> | <u>\$142,681.35</u> | <u>(\$149,609.81)</u> |

TOWAGMAC EXPLORATION COMPANY LIMITED

(No Personal Liability)

NOTICE OF ANNUAL GENERAL MEETING

To the Shareholders:

TAKE NOTICE that the Annual General Meeting of the Shareholders of TOWAGMAC EXPLORATION COMPANY LIMITED (No Personal Liability) will be held in the Red Room of the Windsor Hotel, Dominion Square, Montreal, Quebec, on Wednesday, the 26th day of June, 1968, at the hour of 11:00 o'clock in the forenoon, Daylight Saving Time, for the following purposes:—

1. To receive the Directors' Report and Financial Statements.
2. To elect Directors for the ensuing year.
3. To appoint an Auditor or Auditors.
4. To transact such other business as may properly come before the Annual General Meeting of Shareholders.

Each Shareholder who will not be able to be personally present is respectfully requested to date, sign and return the enclosed Proxy to the undersigned.

A copy of the Directors' Report and Financial Statements to be submitted to such Meeting is forwarded herewith.

DATED the 4th day of June, 1968.

By Order of the Board,

H. HUNTER,
Secretary.

TOWAGMAC EXPLORATION COMPANY LIMITED

(No Personal Liability)

INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by the Management of the Company for use at the Annual General Meeting of the Shareholders of the Company to be held on Wednesday, the 26th day of June, 1968, and at any adjournment or adjournments thereof.

The cost of solicitation will be borne by the Company. The solicitation will be primarily by mail, but proxies will also be solicited by regular employees of the Company. No remuneration will be paid to any person for soliciting proxies, but the Company may, upon request, pay to certain brokerage firms, fiduciaries or other persons holding shares in their names for others, the charges entailed for sending out proxies to the persons for whom they hold shares.

PROVISIONS RELATING TO VOTING

Shareholders of record at the time of the holding of the Meeting will be entitled to one vote for each share held. The Company has outstanding 2,596,666 shares of its capital stock. A Shareholder who has given a proxy may revoke it at any time prior to its use either — (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Company, or (b) by signing written notice of revocation and delivering it to the Secretary of the Company or the Chairman of the Meeting.

On any poll, the persons named in the form of proxy will vote the shares in respect of which they are appointed, in accordance with the directions contained in the proxy. In the absence of any directions, the proxies given will be voted, on a poll, for the election of directors and the appointment of auditors.

ELECTION OF DIRECTORS

At the Annual General Meeting a Board of seven Directors is to be elected, to hold office until the next Annual General Meeting of Shareholders or until their successors are elected, and it is the intention of the persons named in the enclosed form of proxy to vote such proxy for the election of the following persons, who, with the exception of Charles F. Watson and Noreen M. Weston, are the present Directors of the Company, who are standing for re-election.

The Management does not contemplate that any nominee will be unable to serve as a Director for any reason, but should this be the case, the persons named in the accompanying form of proxy reserve the right to vote for another person of their choice in his or her place and stead.

The names of all the nominees as Directors, their principal occupation or employment, the years in which they became Directors of the Company and the approximate number of shares of the Company beneficially owned by them, directly or indirectly, as of the 5th day of June, 1968, are as follows:

| Name | Position with Company | Present Principal Occupation | Director since | Number of shares beneficially held |
|--------------------|----------------------------------|-----------------------------------|------------------|------------------------------------|
| Kenneth A. Roberts | President and Director | Physician and Executive, Toronto. | 28 October, 1960 | 2,500 |
| H. Hunter | Secretary-Treasurer and Director | Accountant, Toronto. | 3 May, 1948 | 100 |
| A. H. Honsberger | Director | Mining Engineer, Brampton. | 28 October, 1960 | 50 |

| <u>Name</u> | <u>Position with Company</u> | <u>Present Principal Occupation</u> | <u>Director since</u> | <u>Number of shares beneficially held</u> |
|------------------------|------------------------------|--|-----------------------|---|
| S. L. Jaske | Director | Contract Manager of Royal-metal Corporation Limited, Toronto, Manufacturers of office furniture. | 28 October, 1960 | 50 |
| L. H. Sharkey | Director | Golf Club Manager, Pickering. | 28 October, 1960 | 50 |
| Charles F. Watson | | President, Peel Village Developments Co. Limited, Brampton. | | 100 |
| Noreen Margaret Weston | | Secretary to Kenneth A. Roberts, Toronto. | | 100 |

Each of the above-named persons, with the exception of Noreen Margaret Weston, has held the principal occupation indicated for at least five years. Noreen Margaret Weston has been Secretary to Kenneth A. Roberts since May 1967, and from January 1966 to May 1967 was a Secretary with Bert Walters Insurance Agency Ltd., and from 1963 to 1966 was a Secretary with Harold Newton Insurance Agency.

REMUNERATION OF MANAGEMENT AND OTHERS

(a) The aggregate direct remuneration paid by the Company to its Directors and senior Officers during the year 1967 was \$1,200.00.

(b) The estimated aggregate cost to the Company during the year 1967 of all compensation and retirement benefits proposed to be paid to Directors and senior Officers under existing plans on retirement at normal retirement age was \$1,500.00.

(c) During 1967 no options were granted by the Company on shares of its capital stock.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the reappointment of Touche, Ross, Bailey & Smart as Auditors of the Company, to hold office until the next Annual General Meeting of Shareholders. Touche, Ross, Bailey & Smart or its predecessors have been Auditors of the Company for more than five years.

OTHER MATTERS

The Management does not know of any other matters to be brought before the Meeting other than those hereinbefore set forth and in the Notice of Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

By Order of the Board,

H. HUNTER,
Secretary.

Toronto, Ontario,
June 5th, 1968.

